



Universal Service Administrative Company

Karen M. Majcher
Vice President, High Cost & Low Income Division

November 4, 2005

Marlene H. Dortch, Secretary
Federal Communications Commission
Office of the Secretary
445 12th Street, S.W.
Washington, DC 20554

RE: **EX PARTE** Letter. In re Federal-State Joint Board on Universal Service, Proposals to Modify the Commissions Rules Relating to High-Cost Universal Service Support, CC Docket 96-45, FCC 05J-1

Dear Ms. Dortch:

I am submitting this ex parte letter on behalf of the Universal Service Administrative Company (USAC) in response to the request of the Federal-State Joint Board on Universal Service for comments on proposals to modify the Commission's rules relating to High-Cost Universal Service Support, CC Docket 96-45, FCC 05J-1, which was released August 17, 2005.

USAC is the neutral third party administrator of the universal service fund (USF) and the universal service support programs -- i.e., the High Cost, Low Income, Rural Health Care, and Schools and Libraries programs. In 1998, USAC was designated permanent administrator of the USF and the programs pursuant to section 54.701(a) of the Commission's rules. USAC performs its administrative functions pursuant to the Commission's rules governing the USF and the programs and is subject to Commission oversight.

The administrative implications of any policy and/or rule changes will depend in large part on the details of any new approach chosen by the Commission. Although the administrative issues inherent in implementing new or modified rules may be more or less challenging depending on the approach selected by the Commission, USAC stands ready to implement any changes to current policy that may result from this proceeding. Whatever the approach ultimately selected by the Commission, USAC urges the Commission to adopt clear rules, provide comprehensive direction to USAC and the carriers, and choose a process that is transparent, enforceable, and fully auditable.

Marlene H. Dortch
November 7, 2005
Page 2 of 2

USAC expresses no opinion on the desirability of changing or retaining the existing rules.

We would be happy to discuss this matter further should you require any additional information.

Thank you.

Sincerely,

A handwritten signature in cursive script, appearing to read "Karen M. Majcher".

Karen M. Majcher
Vice President, High Cost & Low Income Division
Universal Service Administrative Company